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Soviet Economic Aid to Sub-Saharan Africa: Politics in Command

Interagency Intelligence Memorandum

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SOVIET ECONOMIC AID TO SUB-SAHARAN AFRICA: POLITICS IN COMMAND

Information available as of 29 January 1986 was used in the preparation of this Memorandum, approved for publication on 3 March 1986 by the Chairman of the National Intelligence Council.

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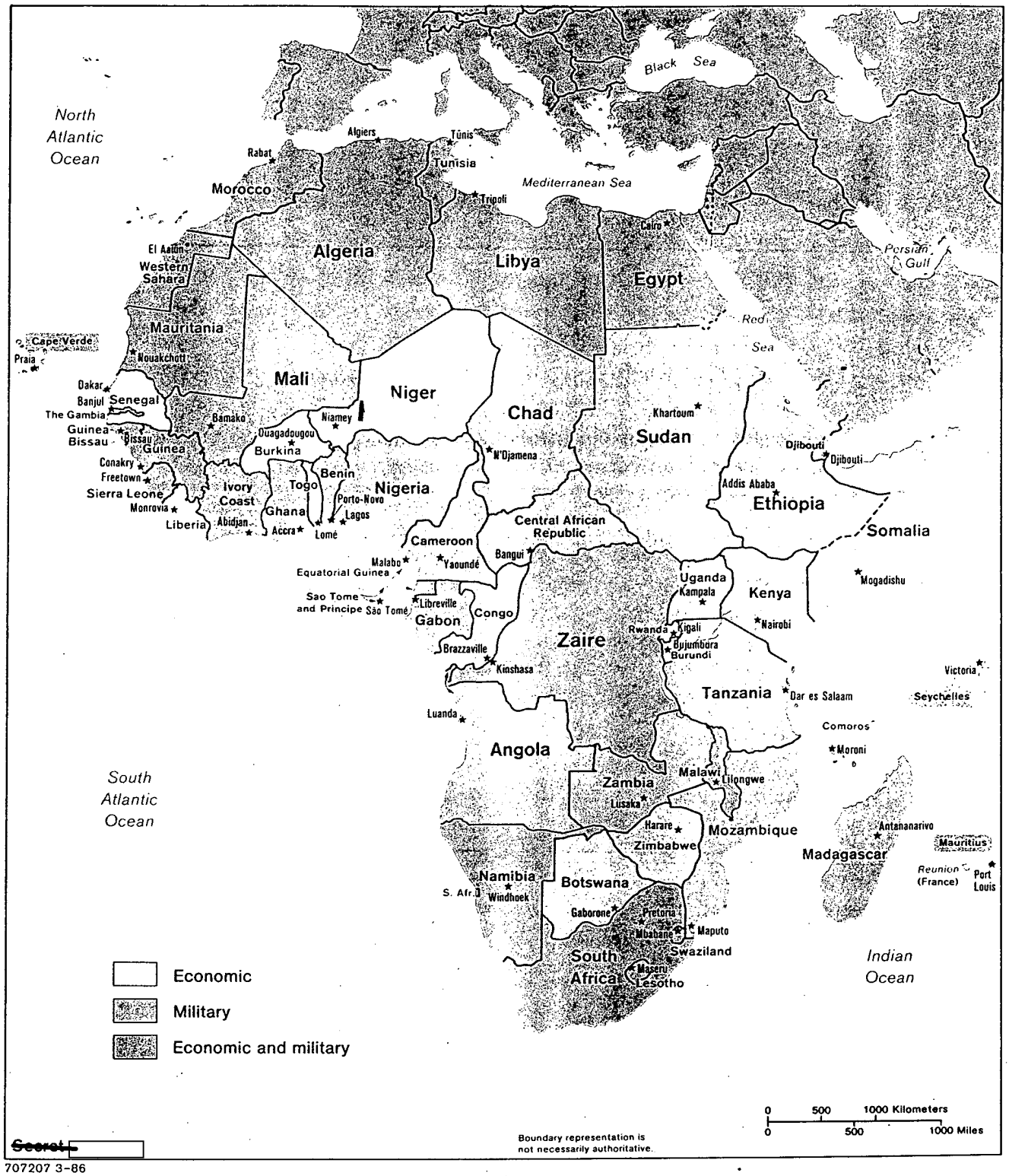
Figure 1
Soviet Economic and Military Aid Extended to Sub-Saharan Africa, 1959–84



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KEY JUDGMENTS

We believe that over the next five years Moscow will allot most of its African economic aid to self-proclaimed Marxist-Leninist states—such as Angola, Ethiopia, and Mozambique—with enough going to other "socialist-oriented" countries (particularly Guinea and Mali) to protect Soviet economic and political equities. Historically, 70 percent of Moscow's African aid pledges have gone to Marxist client and socialist countries. These states are also Moscow's principal military aid recipients in Africa. In our view, Soviet economic assistance will remain a useful supplement to Soviet military assistance, Moscow's principal tool for expanding and entrenching Soviet interests in Africa (military commitments outstrip economic pledges by almost 3 to 1).

Despite the seriously deteriorating economic conditions in most of these recipient states, Soviet economic aid has been relatively small.[1] The $4.6 billion in economic aid pledged by the Soviets since 1959 is by no quantitative measure competitive with Western programs, which have delivered—on more concessional terms—more than $100 billion in food, technical services, and project assistance. Moscow has failed to come to the aid in a significant way even of Ethiopia, its principal African client, during the country's ongoing food crisis.

Despite the small size of Soviet economic aid, these programs nonetheless are often high-profile influence builders and contain remarkably few real costs since 90 percent are credits. The programs are very useful instruments for both short- and long-term advancement of Soviet interests, promoting bilateral economic ties and dependence on Soviet advisers and equipment. They also provide a cover for intelligence activities and, through the scholarship program, a truly long-term "seeding" effort for future subversion. In addition, much of Soviet economic aid carries tangible economic returns to the USSR, supplying important commodities and some hard currency payments for often inferior Soviet goods and services.

For example, economic aid has given the Soviets political or financial rewards at low cost by:

— Increasing access to African governments and societies through the provision of Soviet advisers, doctors, and teachers in 25 countries. In 1984 Moscow maintained over 9,000 technicians

[1] This paper does not discuss East European or Cuban economic aid programs, which are of lesser magnitude and essentially parallel Soviet economic assistance to Africa and support Soviet regional goals.

on the continent. In Soviet client states, such as Angola and Ethiopia, the USSR has achieved direct access to domestic policymakers, allowing it to influence day-to-day operations of the economy and to formulate development plans.

— Adding Soviet-trained personnel to the ranks of African elites through academic scholarships. Since the late 1950s, more than 45,000 students from almost every state in Africa have attended Soviet universities. We estimate that Moscow still recruits up to one-third of its African scholarship holders without the knowledge of their home governments.

— Obtaining sources of strategic and other commodities. Moscow imports substantial amounts of bauxite from a Soviet-aided project in Guinea that underwrites at least one-fourth of Soviet domestic alumina production. The Soviet Union also supports its fishing catch with 2 million tons annually from African coastal waters under fisheries agreements with 17 states.

— Generating hard currency and opening new markets for Soviet products. Less than 10 percent of Moscow's African aid has consisted of grants. The remainder has been in the form of credits that are repayable over 10 to 12 years at 2 to 5 percent interest, often in hard currency. Payments for Soviet technicians also bring in hard currency earnings to Moscow. In addition, equipment sales to Africa have increased tenfold over the last decade to more than $500 million annually, and Moscow is projected to earn nearly $1.2 billion in hard currency for equipment to the Ajaokuta steel mill in Nigeria, a "red elephant" unlikely ever to produce steel profitably.

On the other hand, economic aid has not produced unalloyed benefits for Moscow:

— In the wake of an increasingly desperate economic environment, Africans have become more vocal in their criticism of the small size and poor quality of Soviet aid.

— Most African governments are wary of the political and subversive content of the Soviet academic program and attempt to limit student exposure to it.

— There is little evidence that Soviet proselytizing has been successful with a large number of African students. Soviet education and training tend to generate an aversion to the Soviet system among most African students.

Moscow's economic aid program is not designed to provide help to struggling African nations but to enhance Moscow's own economic and political standing. The Soviet Union will continue to try to maximize

the political impact of its small effort by relying heavily on academic scholarships and technical assistance. We believe low-cost exchanges will dominate the program and account for the bulk of Soviet aid to most African aid recipients.

In our view, Moscow's future economic assistance to nonsocialist African states will largely be limited to situations that offer opportunities for concrete economic or political returns. The Soviet Union will be alert for chances to invest in oil-producing states—such as Nigeria—and in countries that produce strategic minerals. Moscow will also be prepared to offer economic assistance to help it establish closer relations with Zimbabwe, a country that is attractive to the Soviet Union because of its extensive mineral resources, potentially compatible leadership, and proximity to South Africa.

Nevertheless, we doubt that large new economic aid agreements with African states are in the offing, except possibly to Moscow's closest and most beset clients, or to make a breakthrough in Soviet relations with a strategically important country, such as Zimbabwe. The USSR will remain unwilling to commit sizable resources for uncertain political payoffs. For their part, African leaders are aware of the ineffectiveness and niggardliness of Soviet economic aid and will almost certainly continue to look first to the West for required assistance. We believe African leaders will also continue to apply for Soviet economic aid, regardless of its drawbacks.

Moscow's failure to provide adequate economic support to its African clients has several implications for the United States:

- Moscow, in most cases, will not discourage its major aid recipients from seeking Western assistance so long as these states remain politically aligned with the Soviet Union and dependent on Soviet military assistance.
- The leaders of major Soviet client states—for example, the Marxist regimes in Angola and Ethiopia—are unlikely to distance themselves ideologically from Moscow over the issue of economic aid because of their dependence on Soviet and Cuban military and security assistance, but the deficiencies in Soviet economic aid could provide the United States with some limited opportunities to enhance its influence with socialist African states disillusioned with the USSR. For example, states that once looked predominantly to Moscow for aid such as Benin, Cape Verde, Congo, Guinea-Bissau, Guinea, Madagascar, Mali, and Mozambique have already begun to distance themselves in varying degrees from the Soviet Union.

— To free such countries of their Soviet entanglements, Western countries would have to supplant Moscow's military supplier and advisory role, in addition to pouring billions of dollars annually into their economies. We believe, however, that the Marxist client states would be reluctant to fully replace Soviet with Western assistance even if given a choice.

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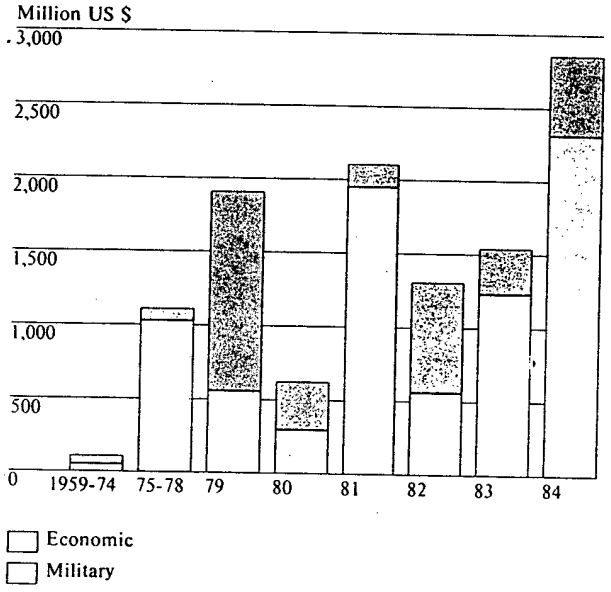
DISCUSSION

1. This paper analyzes the main trends in Soviet economic assistance [2] to Sub-Saharan Africa and estimates the most likely course of such aid over the next five years.[3] As in other areas, the African economic program has been used largely to support political allies and promote Soviet trade flows, rather than to foster the orderly development of African economies. Soviet economic aid to Africa has included the provision of goods and technical services on credit or free of charge, as well as an extensive scholarship program that provides free academic and technical training to African students. Although the Kremlin has placed increasing emphasis on its military program in Africa since the mid-1970s—military aid commitments have outstripped economic pledges by almost 3 to 1 (see figure 2)—Soviet economic aid continues to be useful for its recipients, given Africa's serious economic needs and the high visibility attached to foreign economic assistance projects.

2. Moscow's basic objectives in Africa are similar to longstanding Soviet goals elsewhere in the Third World:

- To erode Western and Chinese influence and substitute its own.
- To promote the creation of Marxist regimes closely allied with the USSR and to protect those regimes, especially from internal opposition.
- To gain access to air and naval facilities.
- To obtain selected strategic raw materials for the USSR and its allies and to achieve a capability over the long term to disrupt vital Western access to strategic raw materials.
- To earn hard currency through equipment sales and other programs.

Figure 2
USSR: Economic and Military Aid to Sub-Saharan Africa, 1959-84



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Allocation of Aid: A Political Process

3. Soviet political and ideological considerations generally have outweighed economic criteria in determining which African countries receive Soviet aid (see table 1). Several factors have accounted for this approach over time:

- Decolonization, political ferment, and the rise of liberation movements on the continent created many newly independent and uncommitted states susceptible to Soviet influence.
- As the self-proclaimed leader of the international Communist movement, Moscow has been determined to steer African political and economic development in Soviet-approved directions to forestall Chinese ideological leadership.

[2] Economic assistance includes grants and credits with repayment terms of five or more years that fit international definitions of concessional aid because of low interest rates or other soft terms. Much of Soviet aid is in the form of supplier credits, which, while meeting the above criteria, are in actuality less concessional than most Western bilateral assistance. The totals of Soviet aid in this report may be higher than those reported by such international organizations as the OECD because we draw on classified information unavailable to such organizations.

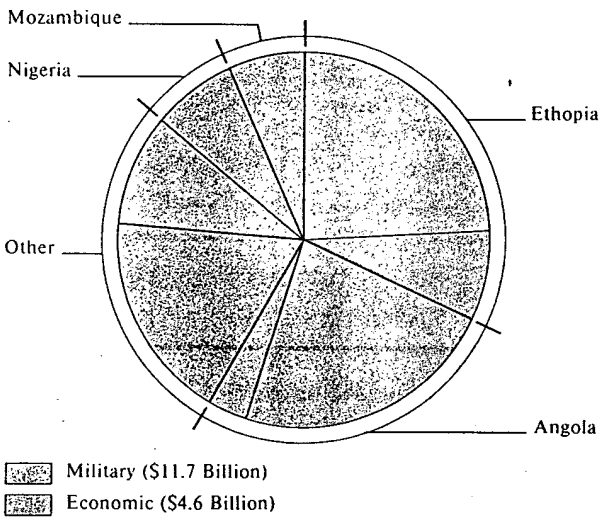
[3] This paper does not discuss East European or Cuban economic aid programs, which are of lesser magnitude and essentially parallel Soviet economic assistance to Africa and support Soviet regional goals.

Table 1
USSR: Economic Aid Agreements With Sub-Saharan Africa

Million US $

	Total	Marxist/Socialist States	Non-Socialist States
Total	**4,645**	**3,175**	**1,470**
1959-79	2,560	1,125	1,435
1980	330	330	
1981	155	150	5
1982	745	745	
1983	310	290	20
1984	545	535	10

Figure 3
USSR: Economic and Military Agreements With Sub-Saharan Africa by Major Recipient, 1954-84



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— Most countries have not met Moscow's economic criteria for a large-scale program. There have been few opportunities to market Moscow's traditional large public-sector undertakings because of the low level of development in Africa. At the same time, most African countries do not have the hard currency and resources that Moscow usually demands as repayment for Soviet projects.

4. Consequently, Soviet aid recipients in Africa have predominantly been states that are socialist oriented by Moscow's standards. Since 1959, socialist-oriented countries have accounted for almost 70 percent of the USSR's aid commitments in Africa (see figure 3 and table 2).

Table 2
USSR: Economic Aid to Sub-Saharan Africa, Extended and Drawn, 1959-84

Million US $

Recipient	Extended	Drawn
Total [a]	**4,645**	**2,215**
Angola	563	43
Benin	15	4
Burkina	6	3
Cameroon	8	6
Cape Verde	8	3
Central Africa Republic	3	3
Chad	5	3
Congo	74	34
Equatorial Guinea	2	2
Ethiopia	1,290	558
Gambia	2	NEGL.
Ghana	110	41
Guinea	399	223
Guinea Bissau	37	30
Kenya	49	4
Liberia	NEGL.	NEGL.
Madagascar	85	28
Mali	137	105
Mauritius	13	2
Mozambique	220	95
Niger	2	2
Nigeria	1,207	821
Rwanda	1	1
Sao Tome and Principe	NA	
Senegal	8	8
Seychelles	29	7
Sierra Leone	34	4
Somalia	164	101
Sudan	65	32
Tanzania	44	22
Togo	NEGL.	NEGL.
Uganda	35	16
Zambia	30	13

[a] Because of rounding, components may not add to the totals shown.

5. In the 1980s the USSR's African economic aid recipients fall into several groups of varying interest to Moscow:

— Most important are the self-proclaimed Marxist-Leninist states that are major recipients of Soviet military aid—Angola, Ethiopia, and Mozambique—whose Soviet relationship dates from the mid-1970s. These countries have absorbed 80 percent of Moscow's economic aid commitments

to Africa since 1980, including almost all of the balance-of-payments assistance Moscow has doled out to the continent. These ties are politically and strategically motivated, providing few of the economic returns that the USSR usually seeks from its aid commitments. In return for military and economic assistance, Moscow has extracted concessions such as access to port and air facilities in Ethiopia and Angola.

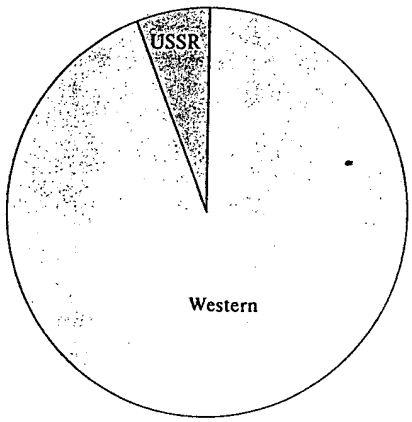
— The second group includes socialist and former socialist states such as Congo, Ghana, Guinea, Madagascar, Mali, Somalia, and Tanzania. Some of these were Moscow's first African aid recipients in the early 1960s and have, in some cases, distanced themselves from Moscow. The USSR continues as the dominant military supplier for most of these countries and continues to dispense some economic aid in an attempt to protect its political and economic equities. Smaller states that fall into this category include Benin, Cape Verde, Equatorial Guinea, Guinea Bissau, Sao Tome and Principe, and Seychelles. The Soviets have not provided them significant economic aid, although many of these countries developed Soviet military ties before independence and still count on Soviet arms.

— Nonsocialist countries selected largely for their ability to meet specific Soviet economic requirements are the third group of African aid recipients. The USSR expects tangible economic returns from its investment in these countries, such as the hard currency Nigeria is paying as part of a $1.2 billion deal signed in 1979 for the construction of the Ajaokuta steel mill. The Nigerian venture, however, is the exception in Africa. Consequently, the few Soviet aid offers to other nonsocialist states have been along the lines of the small, but profitable, $5 million fisheries agreement with Sierra Leone.

The Economic Aid Program: Still a Limited Effort

6. Over nearly three decades, the USSR has extended only about $4.6 billion in economic aid to Sub-Saharan Africa, 15 percent of its $30 billion in commitments to the non-Communist developing world. Only about $2.2 billion of the aid extended has been drawn down, about the same ratio as in other areas. Disbursements over time have averaged less than $100 million annually—less than one-twentieth of 1 percent of Soviet GNP—although in the past four years they have increased by $250 to $300 million annually through deliveries to the Nigerian steel plant. Moscow's aid effort compares with some $100 billion in assistance delivered to Africa by Western countries and multilateral organizations over the same period (see figure 4).

Figure 4
USSR and Western Economic Commitments to Sub-Saharan Africa, 1959-84



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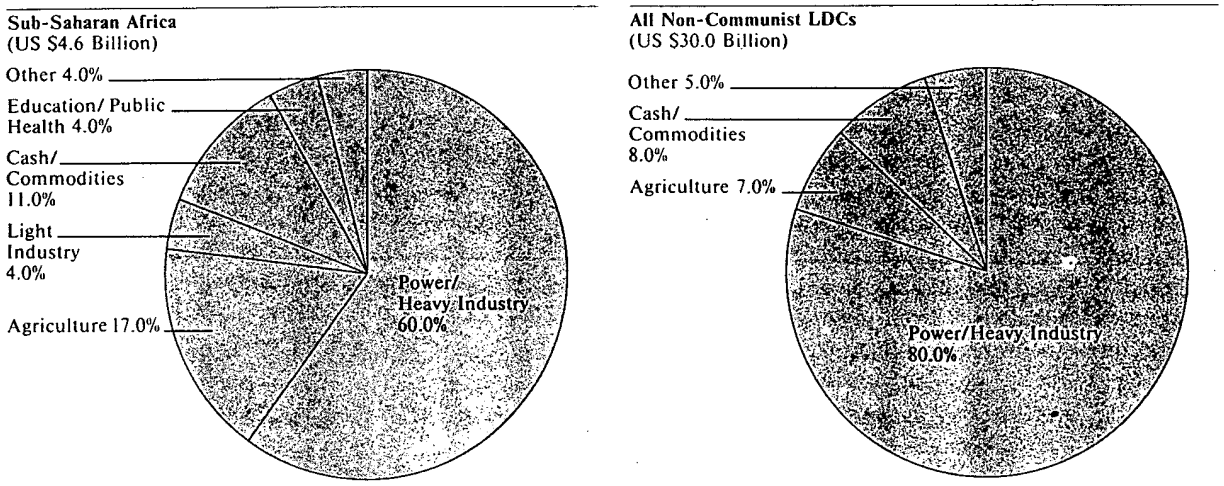
7. Most African states cannot effectively use and are not able to support the huge processing and manufacturing complexes and giant hydropower schemes that have traditionally been the USSR's aid specialties. Because of this inability of African countries to absorb most Soviet aid, the sectoral distribution of Moscow's aid to Africa has deviated somewhat from Soviet programs in other areas (see figure 5). Whereas the Soviets previously had not made much agricultural assistance available to African countries, Moscow has recently begun to engage in large-scale agricultural development programs.

8. A sectoral distribution of Soviet assistance shows that:

— Heavy industry, power, and multipurpose projects have absorbed only 60 percent of the allocations to Africa.

— Budgetary support and basic needs projects have accounted for 15 percent of the pledges to Africa.

Figure 5
USSR: Sectorial Distribution of Economic Aid, 1959-84



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— Agricultural assistance has reached an unprecedented 17 percent of Soviet assistance to Africa, largely because of new Soviet credits to Ethiopia for agricultural development.

9. In spite of the relatively high proportion of budgetary and public services aid in the African program, Moscow has provided almost no relief aid, particularly food, to African countries. The Soviet program suffers particularly in comparison with the US effort: in the 1980s Moscow has on average provided less than $5 million annually for relief assistance compared with the $270 million average in food aid that the United States has delivered annually to Africa (see table 3). Moscow has failed to come to the aid in a significant way of even Ethiopia, its principal African client, during the country's ongoing food crisis. Even with the world's attention focused on Ethiopia's severe economic crisis, the USSR provided only $6 million in food and medical assistance last year, compared with $950 million from Western sources. We do not foresee any substantial improvement in the Soviet relief aid performance through the end of the decade.

10. The small amount of economic assistance provided to most African states has served to limit Soviet ability to use the program for clandestine and subver-

Table 3 *Million US $*
United States and USSR: Food Aid Disbursements to Sub-Saharan Africa

	United States [a]	USSR
Total	**2,840**	**52**
1954-70	590	1
1971	55	
1972	45	
1973	40	3
1974	110	13
1975	105	7
1976	95	4
1977	110	3
1978	160	2
1979	180	4
1980	285	3
1981	315	1
1982	205	5
1983	230	3
1984	315	3

[a] PL 480 Title I and II.

sive purposes. We know of only about a dozen Soviet State Committee for Foreign Economic Relations (GKES) missions in Africa administering aid programs; these would be the economic entities used for intelligence gathering and KGB cover. The Soviet's advisory and educational aid programs, discussed separately, do provide Moscow, however, with much greater opportunity for clandestine activities.

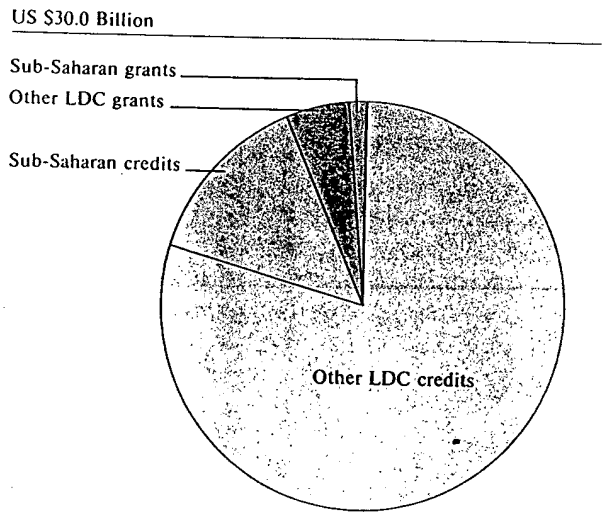
11. Soviet economic aid has not been provided on generous terms. Less than 10 percent of African aid has consisted of grants (see figure 6), although grants have become a somewhat more important component ($260 million) over the past five years. Much of this has been taken up by price subsidies on crude oil to Ethiopia and has not burdened the Soviet economy. The remainder of the aid has been in the form of credits that are repayable over 10 to 12 years at 2 to 5 percent interest, often in hard currency. In comparison, almost half of Western assistance has come in the form of grants, while most Western credits are repayable over 30 years at 3 percent interest. In most cases, Moscow does not provide turnkey services (including funding of local costs and management of all phases of project construction) that African states need to assure successful implementation and operation of projects.

12. Moscow may find the terms of its African aid program easing by default, however, as major recipients seek debt relief for their increasingly troubled economies and request extended periods for repayment. Until now, however, the burden for African states has been manageable. Scheduled economic aid repayments to the Soviet Union from Africa (excluding Nigeria) total only $65 million annually; only Ethiopia has rescheduled. Nigeria, which currently is repaying $100 million annually, may be forced to seek rescheduling in the next few years.

13. ***The Economic Impact.*** In the early days of independence, African states that had adopted socialist systems expected Soviet assistance to replace funding that they had formerly received from metropole countries; 25 years of limited assistance have conditioned most African countries to the realities of Soviet aid.

14. For Moscow's major clients, which have troubled economies and deteriorating infrastructure, the lack of Soviet support is more difficult to reconcile. While orienting their economic, political, and military structures along Soviet lines, these countries expected the USSR to make a major contribution to their considerable economic needs. Soviet leaders, however, have balked at adding extra burdens to their overextended economy.

Figure 6
USSR: Economic Credits and Grants, 1954-84



15. In Angola, Ethiopia, Mozambique, and Nigeria—the four countries in which the USSR has concentrated its efforts in recent years—the Soviet economic aid program has failed to arrest their economic problems and in some cases has exacerbated these difficulties:

— In Angola, many officials believe that nearly 10 years of Soviet economic aid has been an unmitigated failure. Industrial production lags far behind prewar levels, and only the Western-run oil industry operates at a profit. Food and consumer goods shortages have become endemic, but Moscow has flatly refused to provide emergency food assistance for war-torn southern Angola. Meanwhile, Angolan payments for Soviet military assistance absorb a substantial share of its petroleum earnings.

— In Ethiopia, during a 10-year economic relationship with the USSR, growth rates have been cut in half and per capita incomes have dropped to among the lowest in Africa. Although drought and insurgency have crippled the economy, the regime's Soviet-style economic policies have dis-

couraged corrective measures: resettlement, collectivization, and low producer prices have depressed agricultural production, and the nationalization of industry and uncertainty over the future of the private sector have discouraged investment and impeded industrial output.

— In Mozambique, the economic crisis has reached almost unmanageable proportions. A nationwide insurgency has accelerated the economic decline originally caused by the inability of Communist countries to replace Portuguese technicians and markets. Industry has collapsed (output has declined by 60 percent in the last five years), export earnings fell below $100 million in 1984, debt climbed to $2.3 billion, and reserves now stand at about $20 million.

— Finally, Nigeria's Ajaokuta steel mill, which has absorbed 25 percent of the USSR's extensions to Africa and is Moscow's showcase project on the continent, is Africa's biggest white—or rather red—elephant, according to a Nigerian Government report. The project will consume 15 percent of the nation's total investment budget this year, it will ultimately cost at least $2 billion in hard currency, it will require annual expenditures to import raw materials to produce steel, and it is already technologically obsolete. Other export industries that use steel will produce uncompetitive goods because of the high cost of steel inputs.

The Record on Multilateral Aid

The USSR has stayed away from multilateral economic programs in which its influence would be diluted. The USSR does not contribute to organizations such as the IBRD, regional development banks, or special interest funds such as the International Fund for Agricultural Development; Moscow's only multilateral aid commitment is less than $10 million annually, which it gives to UN development agencies. Western countries provide over $2 billion a year of development assistance to the United Nations alone and almost $9 billion to all multilateral institutions. The USSR's low interest in aid and humanitarian organizations is reflected in the Soviet staffing pattern at the United Nations. No Soviet nationals work for the UN High Commissioner for Refugees, the Food and Agricultural Organization, International Fund for Agricultural Development, or the World Bank group. Only two Soviets work for UNICEF and six for the UN Development Program, the two key UN aid agencies.

Moscow, however, has managed to use its small contribution to the United Nations and regular UN staff to pursue political ends, particularly in Africa. The United Nations Environmental Program and the United Nations Center for Human Settlements (HABITAT) employ about 15 Soviets in Nairobi.

Through the efforts of its UN employees in Nairobi, Moscow has secured the training of Tanzanian engineers in the USSR under a UN program and has placed a Soviet official in charge of a UN project in Seychelles.

Advisory and Educational Aid

16. Moscow's most widespread form of assistance to Africa has been personnel exchanges. The Soviet Union maintained over 9,000 technicians on the continent in 1984 and accepts several thousand new students annually for undergraduate and graduate study in Soviet institutions. More than 45 African countries have participated in Soviet exchange programs for students and experts, compared with only 27 that have received Soviet project assistance.

17. Technical assistance is a key element of the Soviet aid program in Africa, although it has never reached the levels in other areas (see table 4). While African states account for almost half of the LDCs that receive Soviet technical assistance, only about a fourth of Soviets employed abroad are in Africa. In many African states, Moscow provides some services free of charge, in contrast to its practice of charging hard currency in wealthier LDCs. Angola, Ethiopia, and Mozambique host almost half of the Soviet technicians in Africa. Nigeria, whose hard currency arrangements resemble those Moscow maintains with Arab clients, accounts for another third.

18. Through its services program, Moscow has on occasion achieved direct access to domestic policymakers in several socialist states: this access helps it to influence the day-to-day operation of the economy and to formulate short- and long-term trade and economic development plans. High-level Soviet advis-

Table 4
USSR: Economic Technicians in Sub-Saharan Africa, 1984

Number of Persons

Total	9,080
Angola	1,500
Benin	20
Burkina	30
Burundi	35
Cameroon	45
Cape Verde	20
Central African Republic	10
Congo	400
Equatorial Guinea	15
Ethiopia	1,775
Ghana	10
Guinea	450
Guinea Bissau	150
Kenya	25
Madagascar	300
Mali	500
Mozambique	600
Niger	30
Nigeria	2,800
Rwanda	10
Senegal	40
Seychelles	5
Sierra Leone	10
Tanzania	75
Togo	5
Uganda	20
Zambia	200

ers were attached to economic planning ministries in Ghana, Guinea, and Mali in the heyday of Soviet programs in the 1960s and are present now in Angola, Congo, and Ethiopia. We believe Moscow also regularly uses GKES missions in LDCs as cover for KGB officers.

19. Soviet doctors and teachers, who often are provided under bilateral agreements and through UNESCO at little or no cost, offer Moscow another means of expanding its presence and influence in Africa. Soviet medical personnel are in 20 countries, and Soviet instructors teach at universities, secondary schools, language institutes, and party schools in 25 countries. Soviet teachers all over Africa apparently have ample opportunity to pursue illegal or subversive activities, and African governments are generally unable to detect and expel these personnel.

20. ***Academic Scholarships: Moscow's Favorite African Program.*** The USSR's principal economic effort in Africa has come in the form of academic scholarships. Since 1959, more than 45,000 African students have traveled to the USSR, over a third of all Third World students educated at Soviet institutions (see table 5). Academic training is the USSR's only economic access to about half of the countries that accept scholarships; academic ties are Moscow's only direct link with five African states that have not recognized the USSR and three others where Moscow does not maintain an embassy.

21. The academic program is the most concessional of Soviet aid programs. Scholarships cover most living expenses, tuition, and usually transportation—features that make them very attractive to the majority of African students denied the opportunity to study in the West. We estimate that the USSR spends $75-100 million annually to train Africans.

22. Moscow views its scholarship program as a long-term investment. By providing academic training and exposure to Soviet political, cultural, and social structures, the USSR hopes to forge lasting ties to persons who may eventually obtain influential positions in their home countries. According to Western educators, a Soviet academic education is not comparable to a quality Western one, but it is a practical one, equipping African graduates with the basic professional and technical skills that often enable them to qualify for elite positions at home. Nevertheless, for many Soviet-trained personnel, progress has been slow relative to that of better trained alumni of Western institutions. In addition, despite Soviet emphasis on the educational program, African graduates of Western institutions still vastly outnumber those from Soviet universities.

23. In recent years, the USSR has recruited most students through bilateral agreements with African governments. These official scholarships are generally administered on the African side by ministries of education and universities and by Soviet embassies, cultural centers, friendship societies, and front organizations. While Moscow has little influence over the selection of students in countries that maintain tight control over government-sponsored candidates, the USSR is still able to impose its own criteria on the officially sanctioned students recruited through pro-Soviet organizations.

Table 5
Academic Students From Sub-Saharan Africa in the USSR, 1959-84 [a]

Number of Persons

	Departures to the USSR, 1959-84	Being Trained as of December 1984		Departures to the USSR, 1959-84	Being Trained as of December 1984
Total	**45,075**	**17,895**	Madagascar	2,755	2,060
Angola	1,560	1,015	Malawi	35	20
Benin	605	335	Mali	1,620	1,000
Botswana	180	110	Mauritius	505	200
Burkina	485	285	Mozambique	825	550
Burundi	410	200	Namibia	10	10
Cameroon	775	60	Niger	550	115
Cape Verde	510	180	Nigeria	3,810	1,250
Central African Republic	685	100	Reunion	90	30
Chad	810	240	Rwanda	550	245
Comoros	65	30	Sao Tome and Principe	35	25
Congo	2,390	1,140	Senegal	755	205
Djibouti	45	25	Seychelles	10	40
Equatorial Guinea	680	240	Sierra Leone	1,250	500
Ethiopia	5,805	3,000	Somalia	1,820	
Gabon	95	80	Sudan	1,850	605
Gambia	205	5	Tanzania	2,055	510
Ghana	2,435	960	Togo	820	400
Guinea	1,625	340	Uganda	1,175	235
Guinea Bissau	690	475	Zaire	920	145
Ivory Coast	385	110	Zambia	630	190
Kenya	1,775	310	Zimbabwe	440	185
Lesotho	180	45			
Liberia	130	90			

[a] Numbers are rounded to the nearest 5. Most of the estimates are based on scholarship awards.

24. We estimate that Moscow still recruits up to one-third of its African scholarship holders without the knowledge of their home governments. Clandestine recruitment has occurred in countries such as Burkina, Ivory Coast, Lesotho, and Malawi that have no student exchange agreements with the USSR. The Soviet mission in Ouagadougou has screened and selected students from both Burkina and Ivory Coast for training programs in the USSR; accepted students travel secretly to Moscow via Mali. Extralegal recruitment also occurs in states such as Chad and Zaire, where the USSR wants to attract more students outside existing bilateral accords or where it wishes to maintain good relations with leftist organizations.

Brazzaville was also the gateway to the USSR for Zairian students who oppose the Mobutu regime.

25. To help maintain contact with African students after graduation, Moscow flies selected graduates back to the USSR for conferences in their fields of specialization. The Soviets also organize alumni groups that offer special benefits for members.

26. ***Heavy KGB Involvement.*** The highly politicized nature of Soviet educational programs demands

The Political Message

Over the years, the Soviets have reduced the ideological content of their basic curriculum for LDC students from non-Marxist countries to avoid alienating their home governments. Students from Marxist states, however, are still subjected to intensive indoctrination through required extracurricular activities.

The group, officially called "Students Group for Studying the Soviet Way of Life," offered a course load that included:

— Russian Language and History of the Soviet Union (first year).

— Philosophy of Marxism (second and third years).

— Political Economy (third and fourth years).

— Scientific Communism (fifth year).

In any case, there is little evidence that Soviet proselytizing has been successful with a large number of African students. According to numerous student reports, most African graduates of Soviet institutions do not return home with pro-Soviet views or with a willingness to work for Moscow. Instead, exposure to Soviet education generates in most students an aversion to the Soviet system. The spartan living conditions make few converts to the Soviet way of life: returning students complain of heavyhanded KGB surveillance, racial discrimination, poor housing conditions, travel restrictions, miserable weather, and inadequate food and clothing.

active KGB involvement in all phases—from the time the student applies for a scholarship to beyond graduation. A wide variety of reports from students and informants corroborates our view that the KGB recruits, monitors, and manipulates African students to serve the USSR's ends:

27. The USSR is believed to be planning to expand its clandestine capability in Africa by establishing four regional language centers in Addis Ababa, Bamako, Brazzaville, and Luanda to teach Russian to African students. The most gifted will receive scholarships to study in the USSR. Moscow also hopes to offer Russian language courses in African secondary schools to reduce training costs and to identify candidates for the regional centers, where heavy doses of Marxism-Leninism will be part of the curriculum.

28. ***The African Perspective: Assistance or Subversion.*** Many African countries are becoming more sensitive to Soviet training programs. African governments recognize that Soviet training exposes students to heavy doses of propaganda and ideology. They attempt to limit this exposure by (1) restricting the number of student scholarships available under bilateral agreements, (2) screening candidates carefully and rejecting those who appear susceptible to Communist overtures, and (3) restricting government positions available to returnees. African students from some countries are carefully monitored by their embassies during their stays in the USSR and in some cases are placed on security service watch lists on their return home. As a last resort, several African governments, such as Burkina, Cameroon, Central African Republic, and Liberia, rankled by persistent Soviet circumvention of agreed selection procedures, have at some point canceled their educational exchange agreements with the USSR.

29. Nonetheless, while African governments are wary of the political and subversive content of the Soviet academic program, few can afford to pass up all-expense-paid scholarships when educational opportunities abroad are so scarce. Indeed, Africans go to the USSR despite a preference for training in the West

and the awareness that they may encounter discrimination on their return, simply because the Soviets offer the only opportunity for a higher education.

30. Similarly, African countries lacking technical skills and managerial expertise generally welcome the services that Soviet advisers perform. While the Soviets have a reputation of being aloof and heavyhanded in their personal dealings with Africans, we have little evidence of complaints concerning their professional competence. Soviet economic advisers are rarely expelled for unsatisfactory performance or subversive activities. On the other hand, given a choice, we believe most Africans prefer Western technical assistance because they view Western technology as far more advanced than that of the East.

The Balance Sheet: Moscow's Perspective

31. By using its economic aid program to change economic structures in some states, to increase economic dependence, and to convert selected Africans to the Soviet brand of socialism, the USSR has been able to reap some financial and political rewards at low cost by:

- Increasing access to African governments and societies through the provision of Soviet advisers, doctors, and teachers in 25 countries; in Angola, Ethiopia, and to a diminishing degree Mozambique the USSR is heavily involved with economic planning and development.
- Adding Soviet-trained personnel to the ranks of the African elite through academic scholarship offers. Former Soviet students have gained influential positions in Marxist and socialist states, and some head up opposition movements in more moderate African countries. In Ethiopia, for example, Chairman Mengistu relies heavily on Soviet-trained personnel, and Soviet influence and anti-US sentiment have increased significantly in the Foreign Affairs Ministry with the reported appointment of nearly 60 Soviet-trained students into high-level positions. Several Soviet graduates have attained Cabinet-level positions in such countries as Congo, Guinea, and Zambia, and large numbers of Soviet-trained personnel have reached supervisory or professional positions in government and industry in at least 20 states. Opposition movements in countries such as Botswana and Senegal include Soviet-educated personnel, and many officials of the African National Congress have received academic training in the USSR.
- Obtaining sources of important commodities. Moscow imports substantial amounts of bauxite from a Soviet-aided project in Guinea that underwrites at least one-fourth of Soviet domestic alumina production and supports its fishing catch with 2 million tons annually from African coastal waters under fisheries agreements with 17 states. Soviet geologists have also surveyed minerals and metals in 16 African countries as part of their credit program and have been able to identify countries where Soviet minerals or metals projects could be profitable.
- Generating hard currency and opening new markets for Soviet products. Overall, equipment sales to Africa have increased tenfold over the last decade to more than $500 million annually, and Moscow will earn nearly $1.2 billion in hard currency for equipment to the Ajaokuta steel mill in Nigeria.

32. Over the next five years, the Soviets appear to be in for rough sailing as:

- Africans become more vocal in their criticism of Moscow's aid.
- The economies of major Soviet aid recipients crumble even as most commit a large proportion of their hard currency earnings to buy Soviet military equipment.
- The Soviet economic model is increasingly discredited.
- African leaders seek to counter the subversive potential in seemingly benign Soviet offers of scholarships and other training.

33. ***Western Aid.*** The continued absence of Soviet aid in the wake of an increasingly desperate economic environment has forced both socialist and nonsocialist countries to rely more heavily on the West for much-needed financial support. Even Moscow's most favored aid recipients—Angola, Ethiopia, and Mozambique—have sought Western development and relief aid to stimulate their economies. These three countries collectively received at least a billion dollars in Western assistance in 1984 to keep their economies going.

34. Moscow, however, does not necessarily disapprove of its clients turning to the West; and Moscow, in fact, has sometimes counseled its African allies to seek more Western aid because it is unable or unwilling to rescue their economies. In Ethiopia, the USSR has encouraged Mengistu to maintain Western aid ties, and the Soviets endorsed his plans in the early 1980s to

host a Western donors conference in Addis Ababa to seek more aid. Similarly, Moscow has discouraged Angola from nationalizing its oil industry, fearing that disruption of the US-run industry with less competent Angolan managers might cause a loss of revenue to Moscow for military payments and create demands on the Soviets for oil industry aid.

35. Despite criticism of Soviet economic aid policies, we believe that most African governments will continue to accept Moscow's offers of assistance because of the parlous state of their economies. African leaders realize that their economic needs are so great that no single donor can fulfill them, and they see little contradiction in accepting assistance from both the West and the Soviet Bloc. Indeed, some value mixed ties because these strengthen their nonaligned credentials. More important, the leaders of Soviet client states will continue to place greater importance on Soviet military and security assistance, and they thus are unlikely to distance themselves from Moscow over the issue of economic aid. Indeed, although many officials in countries such as Mozambique, Angola, and Ethiopia are critical of Moscow's economic programs, they also believe that the "Western colonial exploitation" of their countries was the original cause of their economic problems.

Outlook

36. In the past, Soviet leadership changes have had a dramatic impact on Moscow's economic aid policy. After Stalin's death, the flamboyant Khrushchev fashioned a program that featured large commitments to a few recipients designed to establish Moscow's legitimacy as a major actor in the Third World. Many of these agreements were never fulfilled. Following Khrushchev's fall, the more conservative Brezhnev-Kosygin regime made major revisions in the program that deeply cut assistance to Africa. The Soviets became more cautious in allocating funds to large projects; the stability of the recipient and the viability of the project were major criteria.

37. The younger and more dynamic Gorbachev probably will have the time and the political clout to reshape the Soviet aid program if he deems it necessary. Nevertheless, in our view, given Gorbachev's domestic economic considerations, it is unlikely that the pattern of Soviet economic assistance to Africa will change dramatically. The program is heavily focused on Marxist states that cannot be abandoned for political and strategic reasons. Although the Kremlin would no doubt like to minimize the amount of assistance provided these countries, it does not want to give the impression that it is letting its Marxist allies down, and we cannot rule out major new economic commitments to its closest African allies.

38. Although military assistance will take the lead in Soviet dealings with these embattled states, these countries will bring increasing pressure on Moscow to expand financial support to prop up their economies.

Soviet Views on Client Economic Interaction With the West

Soviet academic writing on the economics of socialist-oriented states—the theoretical category into which all of their African clients fall—and the role of Western aid in their development shows that several different schools of thought exist on this issue:

- A few Soviet theorists have argued that economic interaction with the West will inevitably promote neocolonialist dependency and the eventual subjugation of socialist-oriented states and thus have advocated the elimination of ties with the "capitalist way of production and exchange" as soon as possible.
- At least one Soviet theorist has advocated an approach that has overtones of Lenin's "New Economic Policy" of the 1920s. This would involve basing national development on agricultural growth and avoiding "left extremist" policies of nationalization, forced industrialization, and detachment from Western aid and trade. The economy would presumably take on a more socialist form at some unspecified time in the future, following the creation of an adequate economic base.
- Most recent discussion has been dominated by the view that trading with and accepting aid from the West is an unavoidable necessity for socialist-oriented states in a "complex world economy," especially in view of Moscow's frequent statements on the limits of Soviet economic largess. Some theoreticians have worried that this could lead to gains in political influence for the West at the expense of the Soviets, while others have expressed confidence that, as long as proper political control was maintained by the Third World government, the country's socialist orientation would not be in jeopardy.

This question remains one of the more "wide open" subjects in Soviet international relations theory, and no one line has yet emerged as a guide to official views and policy.

While major new commitments are possible, Moscow will be reluctant to go above the $350 million annual level of the 1980s extended to Angola, Ethiopia, and Mozambique combined. Consequently, we believe in most cases Moscow will not discourage efforts to secure Western assistance so long as these states remain politically aligned with the Soviet Union and dependent on Soviet military assistance.

39. Elsewhere in Africa, Moscow has little incentive to expand its program. The USSR will provide assistance to other socialist countries where it has economic and political equities to protect. In Congo, Madagascar, Mali, and Tanzania, Moscow will probably offer small credits in areas of special interest for the Kremlin such as fishing, mining, and revitalizing aging Soviet projects. Guinea, which furnishes Moscow with military transport landing rights and port access in addition to bauxite, will receive enough assistance to maintain Moscow's credibility with the new regime. Over the past two years, Guinea has received $163 million in Soviet credits, its first substantial aid from the USSR in more than a decade. Smaller countries such as Benin, Cape Verde, Guinea-Bissau, and the Seychelles can expect only token Soviet support.

40. Moscow's economic assistance to nonsocialist African states will probably be limited to situations that guarantee concrete economic or political returns. We do not foresee opportunities for the USSR to conclude development contracts on the scale of Nigeria's Ajaokuta steel mill, but Moscow will be alert for chances to invest in ventures in oil-producing states such as Cameroon, Gabon, and Nigeria that can afford to pay for Soviet assistance. The Kremlin is also interested in development contracts in countries that produce strategic minerals. For example, the USSR recently offered credits to Zaire for mineral development. Moscow is also interested in improving its relationship with Zimbabwe, a country that is attractive to the Soviet Union because of its extensive mineral resources, potentially compatible political leadership, and proximity to South Africa.

41. Overall, we doubt that large new economic aid agreements with African states are in the offing, except possibly to Moscow's closest and most beset clients, or in an attempt to make a breakthrough in Soviet relations with a strategically important country such as Zimbabwe. The USSR will remain unwilling to commit sizable resources for uncertain political payoffs. For their part, many African leaders are aware of the ineffectiveness and niggardliness of Soviet economic aid programs and are likely to look first to the West for required assistance. Nonetheless, we believe most African leaders will continue to accept Soviet economic aid, regardless of its drawbacks.

42. Gaining political access and influence will remain the overriding objective of the Soviet aid program in Africa. The USSR's recent performance in Ethiopia underscores the intent of the program. It is not designed to provide help to struggling African nations but to enhance Moscow's own economic and political standing. The Kremlin will try to maximize the political impact of its small effort by relying heavily on academic scholarships and technical assistance. These low-cost exchanges will dominate the program and comprise the bulk of Soviet aid to most of the USSR's African aid recipients.

Implications for the United States

43. The leaders of major Soviet client states—for example, the Marxist regimes in Angola and Ethiopia—are unlikely to distance themselves ideologically from Moscow over the issue of economic aid because of their dependence on Soviet and Cuban military and security assistance, but the deficiencies in Soviet economic aid could provide the United States with some limited opportunities to enhance its influence with socialist African states disillusioned with the USSR. For example, states that once looked predominantly to Moscow for aid such as Benin, Cape Verde, Congo, Guinea-Bissau, Guinea, Madagascar, Mali, and Mozambique have already begun to distance themselves in varying degrees from the Soviet Union.

44. To free such countries of their Soviet entanglements, Western countries would have to supplant Moscow's military supplier and advisory role in addition to pouring billions of dollars annually into their economies. We believe, however, that the Marxist client states would be reluctant to fully replace Soviet with Western assistance even if given a choice.

ANNEX

The Early Years Revisited

1. The USSR launched its economic aid program in Africa during the first wave of decolonization in the late 1950s when opportunities arose for Moscow to establish ties with newly independent countries eager to break with former colonial powers. From its first agreement with Guinea in 1959, and continuing into the early 1960s, economic aid served as the USSR's principal instrument to gain influence with emerging African states. Moscow extended nearly $500 million in economic assistance to Sub-Saharan Africa from 1959 to 1964 and only $50 million in military aid, a pattern that corresponded with African desires to reorganize their economies along socialist lines and to break their economic dependence on the West. In the early years, Moscow focused on radical regimes in Ghana, Guinea, and Mali, which some Soviet theorists deemed likely to follow the "noncapitalist path of development." These "revolutionary democracies" received more than half of the USSR's economic commitments to Africa through the late 1960s.

2. The sense of euphoria generated by rapid political change, however, led to exaggerated expectations on both sides concerning the role of Soviet aid as a catalyst for African economic development and as a foundation for Soviet influence on the continent. Moscow expected political dividends to flow automatically from economic assistance and overlooked the intricacies of providing meaningful development programs for countries whose economic futures depended on significant inputs of funding, modern agrotechnology, top-quality expertise, and guaranteed export markets. The USSR's assistance was often inappropriate and wasteful. Moscow assigned economic aid haphazardly with little concern for its viability, allocating large umbrella credits to cover a wide range of agricultural, industrial, geological, and prestige projects, such as stadiums and hotels. Few projects were properly appraised before they were started; many were subject to long delays or never completed. Soviet miscalculations were exacerbated by Africa's weak economic infrastructure, made worse by the precipitous withdrawal of colonial administrators and technicians, a shortage of local skilled workers and managers, stagnation of Western markets, and political instability. The overthrow of friendly regimes in Ghana and Mali in the mid-1960s demonstrated the program's failure to guarantee political control for Moscow.

3. By the mid-1960s, the Soviet bureaucracy was questioning the utility of economic aid to the Third World. The fall of Khrushchev and subsequent demands for a more conservative aid policy resulted in the elimination of umbrella credits, more care in studying project feasibility, and a more precise tailoring of projects to African needs and Soviet interests. The new pragmatic aid approach signaled a Soviet retrenchment in Africa. After 1964, average annual commitments fell by 25 percent to about $50 million a year for the succeeding decade, and Africa's share in total Soviet assistance packages declined even more. The Kremlin's only significant aid agreement over the next 15 years was for a mining project in Guinea, which secured Moscow a 30-year supply of 2.5 million tons of bauxite annually.

4. By the mid-1970s economic aid had been relegated to a distant second place as the USSR rapidly concluded more easily implemented military transfer agreements to gain favor with new Marxist regimes in Angola, Ethiopia, and Mozambique. For these states combined, military aid offers averaged almost $1 billion per year from 1975 to 1979, while economic extensions averaged less than $60 million annually. During the 1980s, however, the Soviets stepped up their commitments in response to increasing pressures from these states.

Table 6
USSR: Economic Aid Extended to Sub-Saharan Africa, by Recipient and Year

Million US $

Recipient	1959-75	1976	1977	1978	1979	1980	1981	1982	1983	1984	Total
Total	**1,007.3**	**126.0**	**63.9**	**13.4**	**1,350.9**	**328.4**	**154.7**	**746.2**	**309.8**	**544.4**	**4,645.0**
Angola		50.5	10.5	1.6	0.1			450.0		50.1	562.8
Benin	5.3		0.5		4.6		4.2				14.6
Burkina	5.7			0.1						0.1	4.9
Cameroon	8.0										8.0
Cape Verde				2.5	5.3		0.2			0.1	8.1
Central Africa Republic	3.2	1.0									3.3
Chad	5.0										5.0
Congo	45.9					0.1	28.0				74.0
Equatorial Guinea	1.6							0.6		-	2.2
Ethiopia	104.4		25.0	1.9	140.2	188.8	62.2	232.0	266.5	268.5	1,289.5
Gambia	2.3										2.3
Ghana	93.0		1.0				1.3	10.5	0.1	4.1	110.0
Guinea	231.7		0.8			3.3				163.2	399.0
Guinea Bissau	0.5	20.6					0.4	15.1			36.6
Kenya	48.7										48.7
Liberia						0.1					0.1
Madagascar	13.4	1.0		5.9		50.0		5.6		9.0	84.9
Mali	88.8		2.1	1.0	0.7	0.6	6.2	22.5		14.9	136.8
Mauritius	5.0									7.9	12.9
Mozambique	14.0	45.3	5.0			85.5	45.0	4.6	17.3	3.7	220.4
Niger	2.1			0.2							2.3
Nigeria	7.2				1,200.0						1,207.2
Rwanda	1.0										1.0
Sao Tome and Principe		NA									NA
Senegal	7.6		0.5								8.1
Seychelles				0.2					6.0	22.5	28.7
Sierra Leone	28.0	5.0					1.5				34.5
Somalia	161.0	3.5									164.5
Sudan	64.8										64.8
Tanzania	20.0		18.5					5.3			43.8
Togo										0.3	0.3
Uganda	23.9								11.0		34.9
Zambia	15.2						5.7		8.9		29.8